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ABSTRACT

A research study examined what competence-based management training (CBMT) is, how organizations are using it and why, and what impact it has had. It drew on evidence from a survey and case studies conducted among large employers in Britain (United Kingdom). General findings from 377 respondents indicated that the use of competencies was increasing; half of the respondents used them. The background of CBMT users was no different from that of other competency users, except they had seen an increased demand for their products over the last 2 years and operated in a more unionized environment. CBMT approaches were predominantly introduced with the aim of improving the link between skills supply and business needs. CBMT users found competencies assisted them in identifying training needs and designing training programs. Three models emerged: top down, functional, and modular. Most competency users still relied on traditional assessment methods. More recent developments such as use of personal development plans placed responsibility on the individual for development. The perceived usefulness of competencies in management training appeared high. CBMT users reported use of competencies to be more cost effective and to contribute to the culture of the organization, customer satisfaction, and business profitability. Some real tensions emerged that were linked to clarifying the business agenda for delivering CBMT. (Contains a 28-item bibliography and 3 tables.) (YLB)

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COMPETENCE-BASED MANAGEMENT TRAINING

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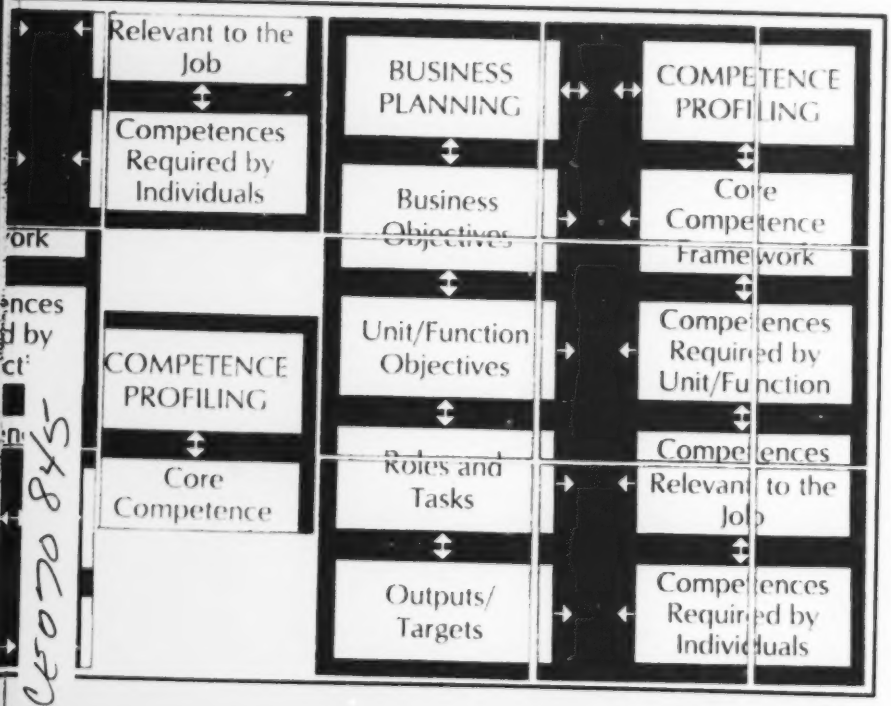

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Executive Summary

This study was commissioned by the IES Co-operative Research Programme (CRP) to examine practical issues in linking management training to organisational competences. It forms part of the Institute's programme of research on competences, under the auspices of the CRP programme. This includes the use of competences, linking competences to pay, and assessing and measuring competences.

The study had the following objectives:

- To establish the extent to which organisations have converted from 'conventional' training programmes to competence-based management training programmes (CBMT).
- To explore organisations' practices for linking management competences to training programmes.
- To examine the mechanisms used by organisations to assess competence requirements and shortfalls.
- To gain some measure of the perceived effectiveness of adopting a competence-based management training approach.

The research has drawn on several sources of data, including a survey of employing organisations on the use of competences, interviews with line managers and employees, secondary sources, and IES experience through consultancy work with organisations developing, implementing and evaluating competence-based approaches.

Users of competence-based management training

This section analyses the survey data, in particular that relating to CBMT users. It shows that:

- The use of competences is increasing. Half of the 377 organisations responding use them (mostly large organisations of over 5,000 staff in the service sector), and non-users reported considering using competences in the future.
- CBMT users amount to half of competence users. For the purpose of this study, they were defined as user respondents which have linked their competences to 'all' or a 'majority' of their management training courses.

- The background of CBMT users is no different from that of other competence users, except that they have seen an increased demand for their products over the last two years and operate in a more unionised environment.
- Compared to other competence users, CBMT users have a higher proportion of semi-standardised training programmes, a greater amount of managers, but a slightly flatter management structure and offer graduate development programme.
- Two-thirds of CBMT users spend over £1,000 per manager, and one-third spend over £2,000. They train for longer and had increased their training for senior and middle managers. The most favoured methods of delivering CBMT include the use of coaching, and modular courses.

Targeting management training for business success

This section explores the business rationale for introducing CBMT and practical approaches for linking competences to management training courses. The most salient features are that:

- Competence-based approaches to management training and development are predominantly introduced with the espoused aim of improving the link between skills supply and business needs.
- CBMT users find competences assist them in identifying training needs and designing training programmes. Their use of competences is, however, skewed towards internally generated competence frameworks rather than those which exist nationally (*eg* MCI).
- Approaches adopted to link competences to management training depend largely upon organisational priorities. Whilst approaches varied, the overall trends were for CBMT to be business driven, targeted to immediate job needs with a focus on development and, where possible, externally validated.
- Three models emerged: a 'top down' approach where existing training courses are regrouped under competence headings expressed as business objectives; a 'functional' approach which integrates training courses under generic and functional competences and a 'modular' approach which matches each competence heading with a specific training module.

Assessing and developing competences

As organisations increasingly link their competence frameworks to their management training, they are doing so on the premise that they are able to assess and develop the competences required by the business. However, the study found that:

- Most competence users still rely on traditional assessment methods such as performance appraisal. More recent developments such as the use of personal development plans also place ownership on the individual for development.
- Increasingly, therefore, individuals are key to the success of assessing and developing competences. Feedback from CBMT users indicated that whilst they are positive overall about the use of competences, they are less confident about assessing them.
- Equipping line managers to assess competences should help them to translate competence headings to departmental requirements, use more effective assessment methods and value diversity. The increased contribution of line managers in the development of competences should be supported by providing them with adequate training in coaching skills.
- Similarly, encouraging individual ownership calls for provision of tools for self assessment, training on the evidence to be collected, and adaptation of materials to individual learning styles.

Benefits of CBMT and emerging tensions

The last section discusses the feedback provided by CBMT users on the effectiveness of the approach, and highlights the emerging tensions arising from the use of competences. For example, it reveals that:

- The perceived usefulness of competences in management training appears high. Linking them to training courses improves the relevance of training and makes the training more amenable to a modular approach. Since CBMT users had a larger proportion of semi-standardised programmes to deliver, this must be an advantage.
- CBMT users tend to evaluate the effectiveness of their approach more readily than other competence users. This means that their feedback is based on internal data. They report that CBMT brings 'added value' to the business by improving the performance of managers and employee motivation.
- Whilst linking competences to management training requires investment and effort, this appears to be justified. CBMT users reported the use of competences to be more cost effective, to contribute to changing the culture of the organisation and, to some extent, to customer satisfaction and business profitability.
- Some real tensions emerge, linked to clarifying the business agenda for delivering CBMT, attending to the implementation stage, and providing training and time for individuals to familiarise themselves with the approach.

- Finally, the growing use of competences for performance management and reward is perceived to conflict with using them for development. Organisations should give clear messages about the purpose of introducing CBMT and be aware of the potential difficulties.

It is perhaps too early for organisations to prove the business case for introducing CBMT. The findings look promising. However, whether organisations will decide to embark upon developing CBMT will be dependent upon a host of factors, not the least the time and effort they are prepared to invest in making CBMT a successful venture.

1. Introduction

1.1 Background

Organisational uses of competences are multiplying. These uses are subject to practical and operational constraints about which we know relatively little. This study aimed to begin to bridge this knowledge gap. Given the explicit links which employers seek to make between business strategy, human resource management and management development, we were interested to explore the extent to which competence-based approaches were felt to be making a discernible impact. For many businesses, competences have become part of a new HR agenda which:

- places a greater emphasis on managers with devolved accountabilities and with a broader range of skill needs
- places a strong emphasis on organisational culture and the way it is managed
- emphasises flatter organisation structures, more flexible job roles and team working
- shifts the balance from collective to individual employment relationships, often mirrored by a concomitant shift in reward strategy.

Employers are aware that in order to meet these challenges, they have to address the future training and development needs of managers. Bevan, Toye and Frost (1995) reported that many companies were increasingly moving towards self-sufficiency. The following trends were identified:

- Mechanisms for linking business plans to management and training have become more sophisticated.
- The context of training will continue to be guided by competences.
- Most organisations wish to develop their own training approach and competences in line with their business plans.
- None of the employers felt that management qualifications will play a significant role in future.

The research was commissioned by the IES Co-operative Research Programme (CRP), to examine the issues and practices surrounding the use of competences in the context of management

development and, in particular, how companies are using them to deliver management training.

1.2 Objectives

The study forms part of research carried out by IES on the use of competences. This research comprises three parallel strands:

1. *The use of competences*: an IES survey of 2,000 employing organisations seeking to collect data on the extent of competences usage in the UK.
2. *Competence-based management training*: using survey data on the extent of use and exploring related practices and issues.
3. *Competence-based pay*: using survey data on the extent of use and exploring related practices and issues.

This study reports the findings concerning the second: the use of competence-based management training. Its specific objectives were:

- to establish the extent to which organisations have converted from 'conventional' training programmes to competence-based management training programmes
- to explore organisations' practices for linking management competences to training programmes
- to examine the mechanisms used by organisations to assess competence requirements and shortfalls
- to gain some measure of the perceived effectiveness of adopting a competence-based management training approach.

1.3 What do we mean by competences?

Before discussing use, it may be useful to attempt to define the concept. There are generally two main approaches with recognised definitions in the field, increasingly distinguished by their spelling.

The first 'competency' definition is provided by Boyatzis (1982) as:

> *'an underlying characteristic of an individual which is causally related to effective or superior performance in a job.'*

The second 'competence' definition as discussed by Fletcher (1991) is:

> *'the ability to perform activities within an occupation to a prescribed standard. Competence is a wide concept which embodies the ability to transfer skills and knowledge to new situations within the occupational area'*

Much of the public debate about managerial competences in recent years has been about what they are, how to derive them and how they fit within a national framework of management qualifications. This has created much confusion about what competences are. Despite this, organisational use of competences has continued apace. There is some evidence that in the UK many organisations have adopted the competence/competency approach without adhering strictly to a specific model (Matthewman, 1995; Hirsh and Strebler, 1995; Bevan, Toye and Frost, 1995). Whilst establishing some theoretical underpinnings to the concept is important, corporate uses of competences often arise from a desire to provide a simple *'skill language which may need to be a practical amalgam of tasks or activities, knowledge, personal attributes, skills or behaviours'* (Hirsh and Strebler, 1995). In this report we adopt a broad definition and use the word competence. For clarity, and when necessary, we refer to particular approaches by behavioural (competency) and standard (competence).

1.4 The use of competences

The survey of organisational use of competences was sent in 1995 to 2,000 organisations and sought to measure the extent of use of competences.[1] It collected background information on the characteristics of users and non-users. We summarise below the general findings from the 377 organisations responding (mainly from the private sector) as it places the use of competence-based management training (CBMT) in a wider context:

- Fifty per cent of the organisations responding were users of competences. Most of the organisations not using competences at present, reported considering their use.
- The use of competences was more prevalent in large organisations (over 5,000 staff) and in the service sector.
- Training and development was reported to be the main HR activity for which competences were used (70 per cent of users).

1.5 Method

This study makes use of three sources of data:

- A workshop of 12 employing organisations held to discuss issues surrounding the use of competences.
- A comparison of the survey data concerning all users of competences with those organisations using competence-based management training.

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[1] Full results of the survey will be published in an IES Employment Brief.

- A series of telephone interviews and visits with employing organisations, to develop some of the issues highlighted by the survey data, and to examine innovative practices in competence-based management training.

These discussions also draw on secondary sources, a review of the literature, and IES experience of working with organisations on a consultancy basis to develop, implement and evaluate competence-based approaches.

1.6 Structure of the report

This report focuses on the issues and practices highlighted by the research. It includes the following sections:

- Section 2: 'Users of competence-based management training' presents the survey data related to CBMT use and the characteristics of the employing organisations which have adopted this approach.
- Section 3: 'Targeting management training for business success' examines elements of the business environment which impact on employers' decisions to introduce CBMT, and practices linking competences to management training.
- Section 4: 'Assessing and developing competences' explores the mechanisms used by respondents to assess competences, and the roles of the individual line manager and employee in the process.
- Section 5: 'CBMT benefits and issues' discusses the perceived effectiveness of CBMT and the emerging tensions.

2. Users of Competence-Based Management Training

In order to decide whether to introduce competence-based management training (CBMT), organisations may start by benchmarking themselves against current practice. They may want to establish how widespread CBMT really is and what characterises users. This section discusses the extent to which organisations have adopted CBMT. It presents the IES survey findings to give some measure of use and contrast CBMT users with other users of competences.

2.1 Use of CBMT

In the previous section, we reported that about half of the survey respondents were using competences (approximately 187 organisations) and that more than three quarters of competence users made use of them for training and development. We were interested to find out whether organisations responding had integrated their competences fully into their management training. To gain an order of magnitude we used a 'proxy' measure by asking respondents to indicate what proportion of their training courses for managers were linked to competences.

Table 2.1 presents the proportion of respondents who have linked their competences to 'all courses', a 'majority of courses' and a 'minority of courses'. This table enables us to define competence-based management training users as those who have linked their competences to 'all' or a 'majority' of their training courses for managers. They are referred to as CBMT users and amount to 48 per cent of the competence users

Table 2.1 : Proportion of management training courses linked to competences

	All Courses		Majority of Courses		Minority of Courses	
	No.	%	No.	%	No.	%
Senior managers	14	54	35	49	112	73
Middle managers	15	58	46	64	125	81
Junior managers	15	58	48	67	113	73
Graduates	12	46	34	47	84	55
N =	*26*	*100*	*72*	*100*	*154*	*100*

Source: IES Survey, 1995

(approximately 89 useable responses out of the 98 organisations), although, on the whole, relatively few competence users have linked their competences to all their management training courses.

However, it was also important to establish whether this take up was not merely due to the fact that organisations run semi-standardised training programmes for management development purposes. Appendix Table 2.1 shows that organisations responding (including users and non-users of competences) were running semi-standardised training programmes for managers. Whilst users of competences, in general, tended to run a greater proportion of such programmes, for CBMT users the proportion was even higher, with almost all respondents in this category running programmes for middle and junior managers.

2.2 Characteristics of CBMT users

Table 2.2 gives background details of the CBMT users compared with other users of competences. On the whole, CBMT users do not differ greatly from other competence users. They tended to be larger organisations in the service sector. The most notable differences are that CBMT users were more likely to have seen

Table 2.2 : Background details of survey respondents using CBMT

	% of Respondents		
	CBMT Users	Other Users	All Users
Sector			
Manufacturing	34	33	34
Services	53	52	52
Public	8	8	8
Other	5	6	6
Total Employment			
Under 1,000	22	24	24
1,000 to 4,999	38	33	35
5,000 plus	40	42	41
Demand for products			
Increased over the last two years	58	45	48
Remained stable	30	33	32
Decreased	13	22	20
Trade Union Recognised			
Yes	72	59	62
No	28	41	38
N =	*89*	*98*	*187*

Source: IES Survey, 1995

Table 2.3 : Employment details of survey respondents using CBMT

	% of Respondents		
	CBMT Users	Other Users	All Users
Number of Managers			
Under 50	12	16	15
50 to 199	23	25	24
200 to 499	22	24	23
500 to 999	12	16	14
Over 1,000	30	18	24
Graduate Development Programme			
Yes	71	37	47
No	29	63	53
N =	*89*	*98*	*187*

Source: IES Survey, 1995

the demand for their products increase over the last two years, and to be unionised.

Table 2.3 shows that CBMT users have a higher number of managers (30 per cent compared with 18 per cent of other users with more than 1,000 managers). The spread across the management levels, as seen in Appendix Table 2.2, indicates that CBMT tended to have a slightly flatter structure, as shown by a lower proportion of senior managers. CBMT users were also much more likely to have a graduate development programme (71 per cent of respondents compared to 37 per cent of other users).

2.3 Management training provision

In order to establish to what extent CBMT users differ from other users of competences, the survey asked respondents to give information about their training provision, numbers of days and amount spent by managers.

Table 2.4 highlights interesting differences between competence users in terms of training provision and money spent. Compared to other users of competences, CBMT respondents tended to spend more on training per manager, with two thirds spending over £1,000 per manager and one third over £2,000. The number of days of training seemed slightly higher for CBMT users, with two thirds of respondents training for five or more days.

Although overall the amount of training was reported to have remained the same as two years ago, a greater proportion of CBMT users reported an increase compared to other users, particularly for senior and middle managers (see Appendix Table 2.3). Only a relatively small number of respondents have

Table 2.4 : Training spend and days for respondents using CBMT

	% of Respondents		
	CBMT Users	Other Users	All Users
Amount Spent on Training for Each Manager in Current Financial Year			
£0 to £499	24	31	29
£500 to £999	18	25	22
£1,000 to £1,999	32	30	31
£2,000 plus	27	13	18
Days Training			
0 to 4 days	42	52	48
5 days	31	27	28
6 and over	27	21	23
N =	*89*	*98*	*187*

Source: IES Survey, 1995

increased their training for graduates, and this is consistent across the whole sample of user respondents.

2.4 Methods used to deliver CBMT

Employing organisations responding were asked to indicate which methods they used to deliver CBMT. Table 2.5 shows that overall, CBMT respondents favoured coaching by managers at the workplace, modular courses selected according to individuals' needs, and the use of a company management centre with in-house trainers. Some interesting variations emerged in the methods used according to managerial level:

- Senior managers were more likely to be trained by means of modular courses and attending external management development programmes or MBAs.

Table 2.5 : Methods used to deliver CBMT

	Senior		Middle		Junior		Graduate		All	
	No.	%	No.	%	No.	%	No.	%	No.	%
Management centre	28	46	44	64	42	67	31	67	55	62
Coaching	29	48	50	72	53	84	36	78	63	71
Open learning	19	31	30	43	34	54	22	48	49	55
Modular courses	42	69	56	81	45	71	29	63	66	67
Management development/MBAs	40	66	30	43	16	25	18	39	51	57
N =	*61*	*100*	*69*	*100*	*63*	*100*	*46*	*100*	*89*	*100*

Source: IES Survey, 1995

- For middle managers, modular courses and coaching were used in greater proportions.
- Coaching and modular courses were favoured for junior managers.
- Graduates were coached and trained at companies' management centres.

2. 5 Summary

This section presents the characteristics of CBMT users and discusses how organisations using competence-based approaches to management training differ from other competence users:

- CBMT users were defined as those competence users who have linked their competences to 'all' or a 'majority' of training courses for managers. Half of the competence users are using CBMT for all or a majority of courses.
- The background of CBMT users is no different from that of other competence users except that they have seen an increased demand for their products over the last two years and operate in a unionised environment.
- Compared to other competences users, CBMT users have a higher proportion of semi-standardised training programmes, tend to have a greater amount of managers but a slightly flatter structure, and offer a graduate development programme.
- CBMT respondents appeared to spend over £1,000 (in some cases over £2,000) on training per manager, train for longer and had increased their training for senior and middle managers.
- The most favoured methods to deliver CBMT include the use of coaching and of modular courses. These varied according to the level of management, with external or MBA type of training for senior managers, modular courses for middle managers, coaching for junior managers and management centres for graduates.

It emerges that CBMT users have a greater need to deliver training for a greater proportion of managers. These organisations appear to have chosen innovative practices for doing so. The next section explores the business rationale and practices for linking competences to management training.

3. Targeting Management Training For Business Success

What makes organisations want to introduce CBMT? In this section, we use the survey findings to provide background information about the business rationale for adopting this approach to management training. Once organisations decide to introduce CBMT, how do they link their competences to their management training? We use the materials collected during the workshop, visits and secondary sources to illustrate how some companies have linked competences to management training in practice.

3.1 Reasons for introducing CBMT

As Boam and Sparrow (1995) assert, the reason that competence-based approaches have become more central to the business agenda are:

- the failure of large-scale change programmes to deliver the necessary changes in individual behaviour
- a growing link between business performance and employee skills, such that sustained business performance can only be achieved through improved management capability.

Product differentiation is no longer a sustainable route to competitiveness, particularly for service sector businesses. It is therefore unsurprising that more businesses have sought to impact on competences as a way of competing through quality and service. Consequently, as Baldwin and Padgett (1993) argue, there is growing evidence that company-specific programmes may provide greater benefits to the organisation and are more appropriate investments than traditional external programmes.

This appears to be confirmed by our survey data. This indicates that for CBMT users as well as other competence users, the primary driver for introducing them was to develop skills aligned to the future requirements of the business (see Table 3.1). Another important theme concerned their use in training and development. CBMT users in particular, placed emphasis on identifying training needs and providing systematic career development. This may suggest that companies increasingly see CBMT as a way to deliver the future skills required for the business on an individual need basis.

Table 3.1 : Ten reasons for introducing competence approaches

Reason	'Very Important' (%)		
	CBMT Users	Other Users	All Users
Develop future skills required by the business	69	65	67
Identify training needs	65	53	58
Assess current employee skills	50	54	52
Provide systematic career development	51	43	46
Support business strategy	48	43	45
Assist in designing training programmes	54	34	43
Improve productivity	41	41	41
Provide a competitive advantage	45	31	38
Underpin the development of strategic human resource management	40	36	37
Give a clear definition of job roles	29	39	35
N =	*89*	*98*	*187*

Source: IES Survey, 1995

3.2 Impact on management training and development

Competences have a key role to play in enabling organisations to align training to business needs. CBMT users reported that competences assist them in designing training programmes. It is also significant that CBMT users had a higher proportion of semi-standardised training programmes to deliver for a greater number of managers (see Section 2). Given the strength of the link in these organisations between competences and training, the IES survey sought to gather data on the ways that they achieved this link and what their motives were for doing so.

In Table 3.2 it is clear that the drivers for introducing CBMT are predominantly internal. The extents to which CBMT linked into national initiatives or a nationally recognised qualification were less important motives for introducing it than were internal

Table 3.2 : Reasons for introducing CBMT, by type of user

	'Very Important' (%)			
	CBMT Users	MCI Users	NVQ Users	All Users
Identifying training needs	64	66	60	58
Assist in designing training programmes	54	50	55	42
Lead to nationally recognised qualifications	15	33	36	19
Link with national initiatives	9	26	19	14
N =	*89*	*49*	*43*	*187*

Source: IES Survey, 1995

Table 3.3 : Competence frameworks used by CBMT users to link management competences to training

Management Level	Senior		Middle		Junior		Graduate		All	
Competence Frameworks	No.	%	No.	%	No.	%	No.	%	No.	%
MCI framework	11	18	19	29	18	30	8	20	23	26
Corporate core competences	35	58	30	45	24	40	17	41	43	48
Developed by training department	20	33	21	32	24	40	19	46	35	39
Core and functional	26	43	29	44	28	49	22	54	36	40
Business objectives	43	72	41	62	37	62	20	49	48	54
N =	*60*	*100*	*66*	*100*	*60*	*100*	*41*	*100*	*89*	*100*

Source: IES Survey, 1995

reasons relating to the identification of training needs and the design of training programmes. This was true even for those competence users who were currently using standards such as the MCI or NVQ.

Table 3.3 seems to reflect the trend towards organisations developing the skills required by the business. It demonstrates that in linking competences to training, employers use business objectives and corporate core competences over and above national frameworks such as MCI for all categories of managerial staff.

However, the standards movement appears to have had an impact on training generally, even in organisations which are not using the MCI materials. A more recent, and perhaps encouraging, development has been the use by large employers of MCI and NVQ standards as a means by which internal lists of managerial competences are externally validated. This suggests that, though there remains a preference for using tailored and employer-specific competence lists, national qualification frameworks may eventually become a more widely accepted benchmark against which managerial skills and performance criteria are regularly judged (Bevan, Toye and Frost, 1995).

3.3 Impact on performance management

Users with no explicit CBMT applications were more likely than those using CBMT to report that assessing current employee skills and giving clear definition of job roles were important (see Table 3.1). This suggests interest in a set of uses around job definition and role clarity which might be slightly separate from very training-oriented applications of competences.

Competences are frequently felt to contribute to HR strategy by providing a language for performance management and a clearer view of what the organisation values. Indeed, when looked at in conjunction with other HR initiatives which respondents to our

Table 3.4 : Organisational context: the five most common HR initiatives introduced by respondents

	% of Respondents		
	CBMT Users	Other Users	All Users
Employee communications	83	73	83
Personal Development Plans	83	58	81
Performance management	73	50	71
Teamworking	63	54	63
BS5750	54	63	56
N =	*89*	*98*	*187*

Source: IES Survey, 1995

survey reported having introduced, performance management was more likely to feature on the agenda of companies using CBMT (Table 3.4).

Among larger employers, the interest in the competence-based approach is manifested by an increased use of internally generated competence descriptions. These, beyond their traditional uses for management development purposes, are being looked at in the context of performance management and reward. A survey of almost 2,000 employers by IES for the Institute of Personnel Management (IPM, 1992) found that organisations claiming to use formal mechanisms of performance management were almost twice as likely to use competence lists to set and measure performance targets among senior managers, as organisations using other methods to manage performance. Given the close link between performance management and reward systems, it is perhaps unsurprising that more and more employers are considering competence-based pay (Matthewman, 1995; Thompson, 1995). The basis of performance management is that an individual's performance targets are linked with the objectives of the organisation, thereby making managers' performance and that of their business more explicitly linked.

The fact that CBMT users were more likely to have introduced personal development plans, however, aptly demonstrates the impact that competences have made in training and development. Other IES research has indeed found that twelve out of the fourteen organisations used as case studies had linked their personal development plans to competences (Tamkin, Barber and Hirsh, 1995).

3.4 Linking competences to management training

The fact that competences can assist in designing training programmes may be perceived to be very important. However, designing large training programmes represents quite a complex

task and organisations may find it useful to get a feel for achieving this in practice. For example, how did organisations map their competences onto training programmes in practice? Some models emerged from our discussions with a number of organisations and our review of published information about organisational practices. The approaches adopted by the organisations to develop CBMT programmes tended to depend largely upon organisational priorities. The overall trends were for CBMT to be:

- business driven
- targeted to immediate job needs but focused on development
- externally validated but delivered in-house.

The onus is on individuals and their managers to define learning objectives. Self selection is encouraged and pre-course preparation available in some cases to manage expectations. Self managed learning may include an assessment of competences already achieved, and/or participation in learning groups where individuals are required to define their own learning objectives.

Three models emerged for linking competences to management training which reflect these various needs and priorities. They differ in:

- the need to deliver large amount of basic management training via standardised programmes
- the need to integrate functional training with management training
- the need to develop high performing competences.

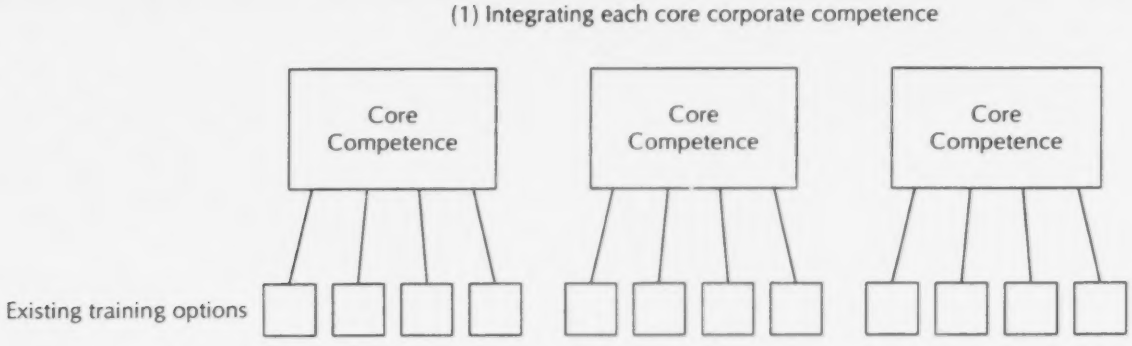
Whilst these needs are not mutually exclusive (and the models would need to be checked with a larger sample) these approaches appear to serve a variety of purposes for the organisations concerned.

3.4.1 A top down approach

Organisations rarely start with a blank sheet of paper when designing training programmes. One of the organisations we visited, a large electronics company, delivered its basic training for its managers by means of well established management training programmes. It adopted a 'top down' approach to link the competence framework that had been recently introduced to existing training options (*eg* courses, open learning, mentoring *etc.*). Figure 3.1 shows the emerging model. Its key features were:

- a corporate core competence framework linked to business objectives
- existing corporate training options regrouped under each competence heading (*eg* management and leadership)

Figure 3.1 : Linking competences: top down approach



Source: IES, 1995

- focus on current job whilst considering development needs
- training options related to job level (*eg* senior managers attend high level events)
- operational training is related to current role, and personal effectiveness training on a need basis decided between line managers and individuals
- multi-media delivery including courses, open learning, mentoring, *etc.*

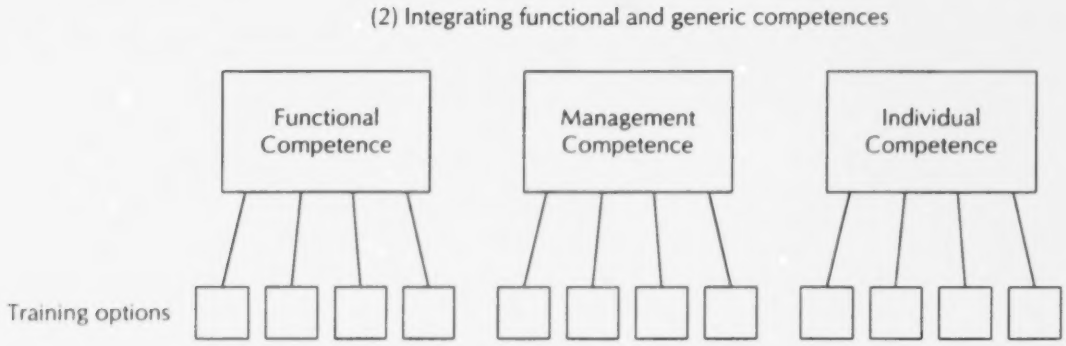
This approach had been used as a 'quick fix' to afford minimum disruption to training whilst being relatively easy to deliver. It may be suitable as a very first step as it offers slightly more targeted training which is easier to communicate. However, managers and individuals had experienced some difficulties in incorporating the additional technical and personal competences. Individually tailored training required more flexibility than this approach could deliver. Managers regarded it as too mechanistic and felt that the approach taken would have been different if the competence framework had been introduced before, or at the same time as, developing training courses.

3.4.2 A functional approach

A large manufacturing organisation, where management training has traditionally been handled by each business function, adopted a 'functional approach' which integrated functional, management and individual competences (Figure 3.2). Training is in this way integrated and linked with functional objectives. This approach featured:

- an integrated generic and functional competence framework
- training for current job and development opportunities
- tailor made programmes to reflect job level challenge (*eg* technical and personal competences for graduates; management for junior managers and strategy for senior managers)
- multi-media delivery and learning options.

Figure 3.2 : Linking competences: functional approach



Source: IES, 1995

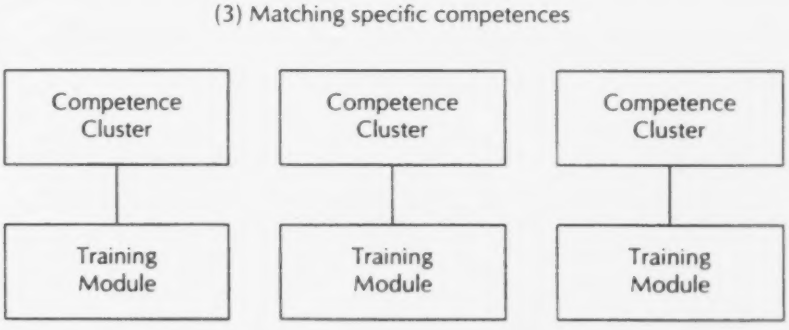
This approach is very comprehensive and goes some way towards resolving the difficulties of integrating different skill requirements. Its focus is narrower, however, and this may hamper lateral moves across functions. The competence framework needs to be well embedded in the culture of the organisation and its complexity (it included about 120 competence headings!) well understood and accepted by users.

3.4.3 A modular approach

The 'modular' approach could be said to represent the 'closest link' to competences. It appears to be increasingly adopted by employing organisations with a high level of commitment towards competences (Atack, 1993 and 1994). As shown in Figure 3.3, short competence-tailored programmes are designed to match each competence heading with a training module and encourage self development via personal development plans. Its features include:

- an integrated behavioural competence framework
- focus on developing superior performance

Figure 3.3 : Linking competences: modular approach



Source: IES, 1995

- an emphasis on the 'softer' skills and how to apply knowledge
- an individualised model, integrating performance appraisal, training, self development and recruitment
- modular courses matching each competence cluster (*eg* a 'developing creativity' course delivers training for the 'seeing' cluster of competences which includes strategic thinking) and self development workshops.

This kind of modular approach demands a great deal of commitment, effort and resources. Organisations will therefore not embark on the exercise lightly, and they may need a strong rationale for doing so.

3.4.4 Criteria for choosing an approach

From the models emerging so far, the common threads which may govern choices seem to be:

- the needs of the business and of its organisational structure
- the level of commitment of senior management
- the kinds of competences that are critical now and in the future
- the approach taken to develop the framework
- whether the competence approach is well embedded in the culture of the organisation
- the type of existing training programmes and the extent to which they are standardised
- the need to deliver cost effective training solutions (*eg* outsourced or in-house)
- the amount of effort, resources and the time an organisation has at its disposal.

3.5 Summary

The picture which has emerged to date is one in which competence-based approaches to management training and development are:

- predominantly introduced with the espoused aim of improving the link between skills supply and business needs
- that CBMT users find competences assist in identifying training needs and designing training programmes. Their use of competences is however skewed towards the use of internally-generated competence frameworks rather than those which exist nationally (*eg* MCI), though these are often used as a benchmark.

- more likely to be used in conjunction with approaches such as performance management and personal development plans.

Approaches adopted for linking competences to management training depend largely upon organisational priorities. Whilst approaches varied, the overall trends were for CBMT to be business driven, targeted to immediate job needs with a focus on development and, where possible, externally validated.

Three models emerged:

- a 'top down' approach, where existing training courses are regrouped under competence headings expressed as business objectives
- a 'functional' approach, which integrates training courses under generic and functional competences
- a 'modular' approach which matches each competence heading with a specific training module.

The practical rationale for these choices is quite clear. Companies are increasingly realising that by influencing managerial behaviour they can influence some business outcomes. Also, companies have a tendency towards self-sufficiency in terms of managerial resourcing (and therefore like to use their own competence frameworks). The next section discusses organisational practices for assessing and developing management competences.

4. Assessing and Developing Management Competences

As organisations increasingly link their competence frameworks to management training, they are doing so on the premise that they are able to assess and develop the competences required by the business. Assessing and developing competences therefore becomes key to business success. However, assessing performance is generally recognised to be fraught with difficulties. Do competences facilitate or hinder the process?

IES survey findings about the methods that CBMT users adopted for assessing competences and feedback from users, give an insight into the perceived effectiveness of the process. Drawing from our experience of implementing competence frameworks in many organisations, and further discussions with the individuals involved in the process during our visits and telephone interviews, we are able to suggest ways the process of assessing and developing competences could be improved.

4.1 Methods for assessing competences

There is much debate about the need to improve assessment by introducing new initiatives such as multi-rater feedback. However, most of the organisations with competence frameworks which responded to the survey used traditional assessment methods, such as the performance appraisal, as their main vehicle for assessing competences (Table 4.1).

Employees are increasingly being given ownership of their training and development, and personal development plans have become a feature of this trend. In the previous section, we

Table 4.1 Methods used for assessing competences

	% of Users
Performance appraisal	61
Personal development plans	56
Individual discussions with managers	53
Performance criteria	31
Development centres	29
N =	*187*

Source: IES Survey, 1995

saw that CBMT users are more likely to introduce personal development plans than other users (see Table 3.2). This requires individuals to develop a clear action plan for their development. Competences seem to contribute to this process since half of CBMT users have personal development plans as a mechanism to address competence shortfalls. Competences have been found to provide a useful framework for assessment and expression of development needs in personal development plans (Tamkin, Barber and Hirsh, 1995). This is encouraging and indicates that many organisations are aware of the need to facilitate this process.

However, respondents were making relatively little use of more sophisticated methods of assessment such as development centres. Development centres can be run successfully with managers at a variety of levels within the organisation (Jackson, 1993). Centre participants are usually positive about the experience and they welcome the opportunity to be formally assessed in this way.

In the organisations surveyed, there is therefore much pressure on both line managers for assessing competences and individuals to take ownership for their development. Individual discussions with managers was the third most frequently used method. Great emphasis is therefore placed on an individual's ability to carry out informed and objective discussions about performance. Furthermore, the fact that competences are increasingly used in the context of performance management and reward, will confuse the agenda and affect the assessment process (see Section 3.3 and 5.4.3). Feedback sought from survey respondents on their experience with competences enabled us to explore in more depth the issues associated with assessing competences for management development and training.

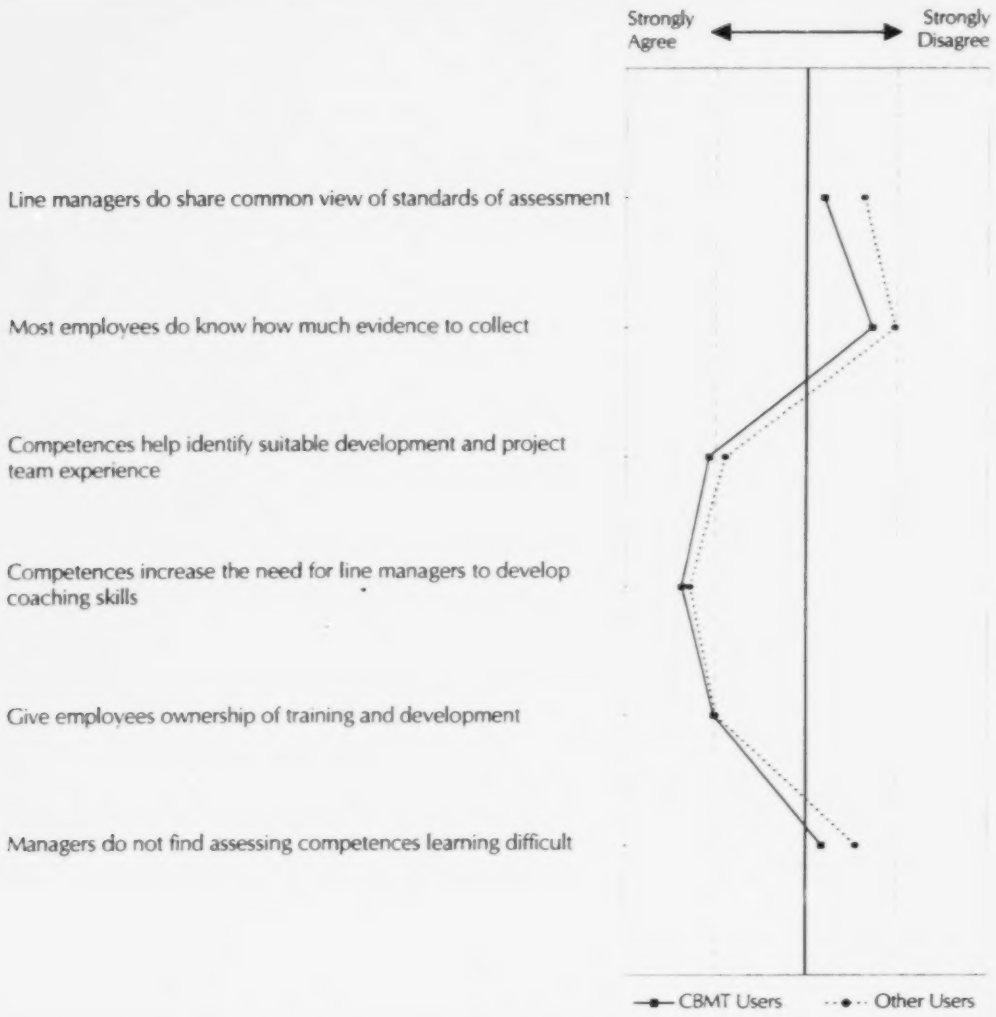
4.2 User feedback

Survey respondents were asked to rate a number of statements associated with assessing and developing management competences along a scale of 'strongly agree' to 'strongly disagree'.

Figure 4.1 compares responses for CBMT users with other users. It highlights the fact that respondents on the whole are quite positive about the use of competences to give employees ownership of their training and development and identify suitable development and project team experience.

Line managers interviewed for example felt that competences provide *'useful anchors against which to judge people'* and *'a useful tool for benchmarking'* individuals against overall ratings. They are felt to help change *'people's mind set'* and enable line managers, in particular, to consider how they can assist individuals and facilitate their development. For example, if a

Figure 4.1 : Feedback on the use of competences in management training: assessing and developing competences


Strongly Agree
Strongly Disagree
Line managers do share common view of standards of assessment
Most employees do know how much evidence to collect
Competences help identify suitable development and project team experience
Competences increase the need for line managers to develop coaching skills
Give employees ownership of training and development
Managers do not find assessing competences learning difficult
CBMT Users
Other Users

Source: IES Survey, 1995

particular individual is felt to score low on 'customer focus', they can suggest a menu of actions according to the specific behaviours to develop, *eg* coaching locally, attending a training course, or shadowing someone else.

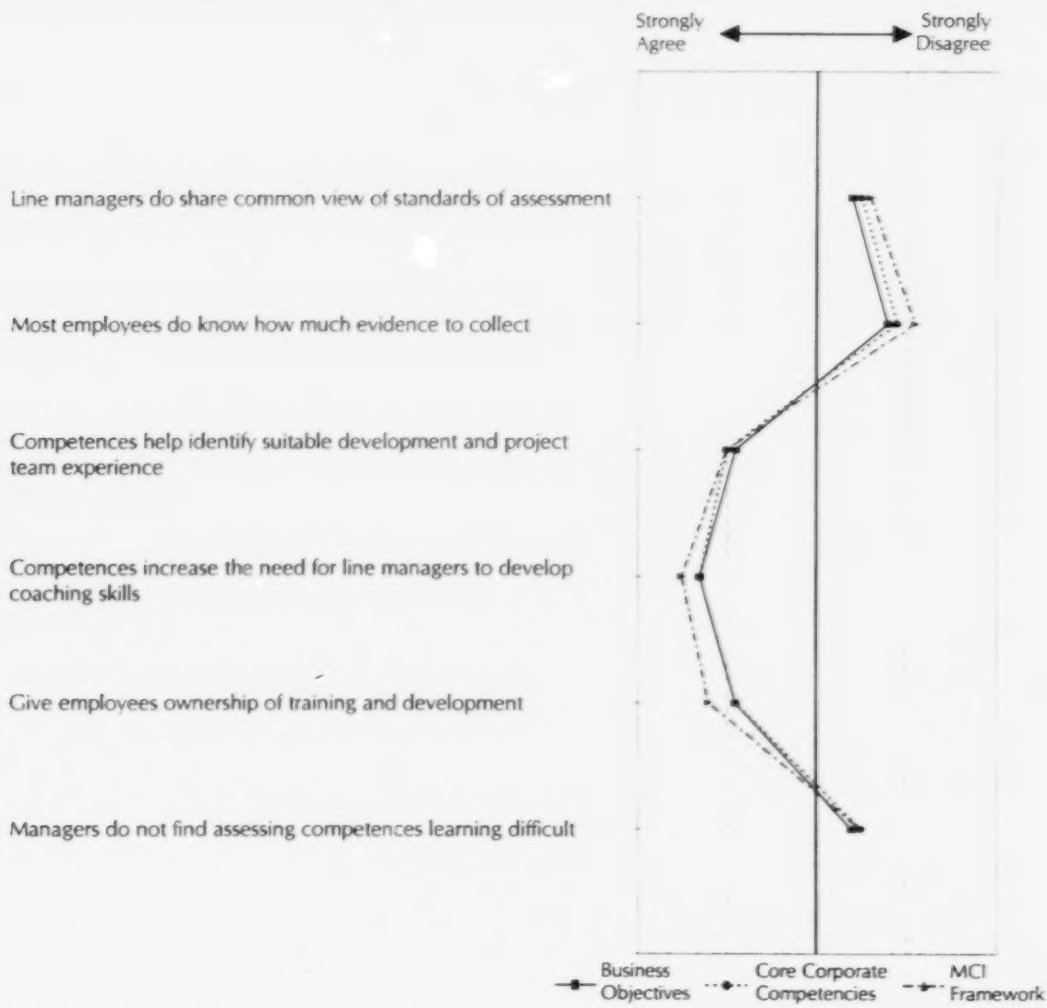
Respondents are far less confident, however, about assessing competences (see Figure 4.1). The most difficult aspects of using competences seemed to reside around the need for standards and collecting evidence, and the fact that it demands increased coaching skills by managers.

In practice, managers felt they were *'left to set standards and interpret competence headings in isolation'*. Some managers commented on the fact that they needed to coach their staff in *'what makes for good evidence'* and most employees needed much preparation for attending competence-based courses.

Linking competences to management development and training seemed to minimise some of these effects. For example, CBMT users appeared much more neutral about line managers not sharing a common view on standards and not being able to assess learning. While there is a similar impact on collecting evidence, the effect is far less marked, indicating that employees may need most help in this respect.

It proved interesting to check whether some of these effects differ according to the type of framework used (Figure 4.2). There were no marked differences between using business objectives and a corporate framework. The differences observed indicate that users of the MCI framework seemed to be the most positive about competences giving employees ownership of their training and development, but more negative about common standards and the fact that employees know how much evidence to collect.

Figure 4.2 : Feedback on the use of competences in management training according to competence frameworks used


Strongly Agree
Strongly Disagree
Line managers do share common view of standards of assessment
Most employees do know how much evidence to collect
Competences help identify suitable development and project team experience
Competences increase the need for line managers to develop coaching skills
Give employees ownership of training and development
Managers do not find assessing competences learning difficult
Business Objectives
Core Corporate Competencies
MCI Framework

Source: IES Survey, 1995

Given the amount of attention that has been given to standard assessment and measurement, this may appear somewhat surprising. It may be that organisations making use of national frameworks were more attuned to these needs (Fletcher, 1992). This would need to be checked with a larger sample before drawing a definite conclusion. Our discussions with managers and individuals in the organisations visited, and IES experience of helping organisations implement competence frameworks, suggest ways that assessing and developing competences could be improved. These suggestions concerned line managers and individual employees and are discussed below.

4.3 Equipping line managers to assess competences

Performance appraisal remains the main vehicle for assessing and developing competences. Line managers are the key actors in this process and consequently need to be better equipped to deliver it. The following aspects arose from our discussions with line managers and from research evidence as being the most difficult to address:

- translating competences
- improving assessment
- valuing diversity.

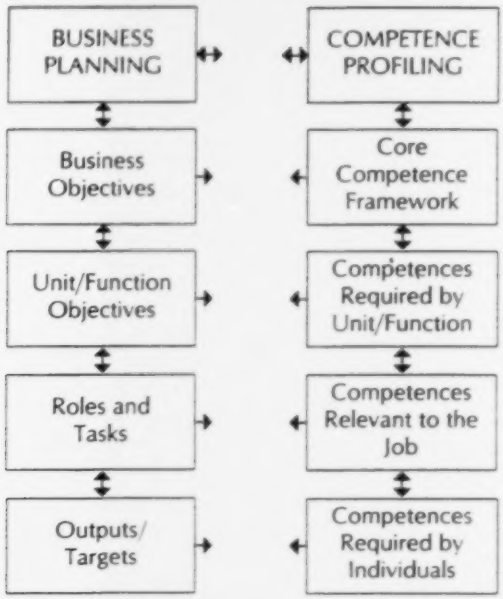
4.3.1 Translating competences

All too often, the time required to develop frameworks and the complexity of the process, mean that organisations fail to allocate enough time to the implementation stage. Defining the competences required by the business, while very important, is really only 'the tip of the iceberg'. A competence framework is only a supplementary tool to help deliver business objectives. To do this successfully, managers need to profile competence need with the business plan (see Figure 4.3) to develop competences in line with business objectives. In doing so, they encounter a number of problems due to the implementation of the framework:

- knowing what competence headings mean
- translating core competences to unit level
- integrating additional competences (*eg* functional, technical)
- setting common standards.

In order to apply the competence framework and assess performance, line managers need to have a clear view of objectives, how they link to each competence, and to set some accurate measures for monitoring achievement. Managers told us that they would welcome a top down interpretation of

Figure 4.3 : Mapping competences to business requirements



Source: IES, 1995

competences. They felt that senior management could give a clear interpretation of each competence heading and how they apply to their division or function. One of the managers, for example, cited that global awareness was a competence that his UK based company wanted to develop. Before he could use the framework, he needed to know whether this heading was 'useful to have but could be developed' or 'essential', and how opportunities for practice could be given.

Others had difficulty in choosing additional competences more specific to their functions, particularly when using core competence frameworks. They wanted help with choosing relevant competences and weighting them.

Whilst these issues concern the design stage, they are indicative of the difficulties encountered by line managers when they try to make practical use of competence frameworks and therefore have an impact on their ability to assess training needs.

4.3.2 Improving assessment

Improving the assessment process requires:

- setting common standards
- using a variety of methods
- deciding which measures to use.

To facilitate assessment of competences, line managers wanted senior management to set organisation-wide standards so that

they could model these in their division. While this may not be always practicable, since 'absolute standards' may be difficult to achieve in practice, a notion of 'minimum standards' or standards of effectiveness that the organisation want to achieve, would be useful. Managers would then be able to set 'relative standards' (*eg* against their own employees) at the local level to measure development needs.

This problem may be heightened in organisations seeking to develop competences for excellent performance, because initial shortfalls in competences in some areas may prevent the establishment of common standards for competence performance across the organisation. Using the framework to measure current performance in the job whilst spotting potential, may also cause some confusion. In this respect, most organisations needed to give clear messages and allocate a timescale for developing the competences in line with future business needs.

Most assessment methods, such as assessment centres, have attempted to assess behavioural competences, even if not they have not been formalised as such before. Consequently, most of the traditional assessment methods can be used to assess competences (Smith and Robertson, 1992). Development centres integrate many of these methods to enable development needs to be assessed (*eg* structured interviews, in-tray exercises, psychometric testing). The main strength of development centres therefore seems to be in the quality of assessment. However, organisations in our survey were making relatively little use of these, no doubt due to cost and resourcing implications. As an offshoot of this, assessor training has been found to improve assessment. This is particularly true for behavioural event interviewing, which introduces a structured model for assessment on the basis of five stages: observing, recording, classifying, summarising and rating (Arkin, 1991).

4.3.3 Valuing diversity

Valuing diversity requires:

- communicating clear business expectations
- being aware of biases
- an awareness of competences which are difficult to train.

Our work with organisations shows that setting clear role direction and communicating organisational expectations to employees is the area found by line managers to be most difficult. It is also one where they are often perceived to fail, as shown by internal 360 degree feedback (Kettley and Patch, 1996).

There is much research evidence which shows that managers' biases influence their judgement of performance. In this respect, it is interesting to note that the perception of high performing

attributes by managers was shown to vary according to gender. Managers perceived males to have more 'impact' oriented attributes such as ambitious, assertive and dynamic, and females with more 'reliability' oriented competences such as organised, thorough and dependable (Bevan and Thompson, 1992). Since most of the growth in supply in the labour market including managerial skills is forecasted to be for women and ethnic minorities, this has implications for managers' own training and development (Meager, 1993).

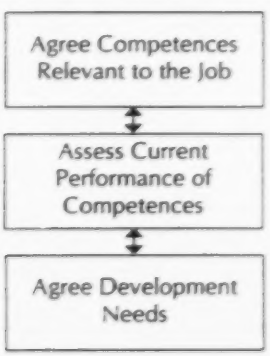
In this respect, interpersonal empathy has been shown to be a major development area for a group of executives of a large multi-national company (Gratton and Pearson, 1994). It could be argued that this requires them to adopt a management style 'at odds' with the one that has made them successful in the organisation in the past. Consequently, they may find it difficult to achieve this in practice.

4.4 Encouraging individual ownership

The fact that the majority of CBMT users also use their frameworks for career development and counselling indicates a wider remit. Similarly, the onus is increasingly on individuals to own their development. As discussed in the previous section, the organisational agenda increasingly demands that employees identify with business goals, switch to new roles and are willing to retrain (Hirsh, 1994). The personal agenda may focus on developing a portfolio of competences which will position the employee favourably in the external as well as the internal labour market. In this way, individuals may value externally recognised qualifications more than the organisation (which is looking for cost effective training solutions) is prepared to offer (see Section 3).

Figure 4.4 highlights the steps individual employees need to take in the context of assessing and developing their own competences. However, successful outcomes rely on having an

Figure 4.4 : Assessing and developing competences: the individual process



Source: IES, 1995

informed dialogue with line managers about performance. The situation may arise that the individual agenda conflicts with the business agenda. Organisations should be aware of the need to manage and reconcile both.

Several aspects need to be addressed:

- self assessment of competences
- knowing what evidence to collect
- learning styles and coaching.

4.4.1 Self assessment

To facilitate self assessment, individuals need to be given a competence map for their current job, to establish their current level of performance, to be made aware of the job options available to them and be given opportunities to develop their competences. Competence frameworks have been found by individuals to be useful in the preparation of their personal development plans (Tamkin, Barber and Hirsh, 1995).

Some managers alluded to the fact that individuals can hold 'inflated' or 'deflated' views of their performance. The first assessment of competences therefore needs to be handled carefully. As graduate self-ratings and managers' ratings have been found to vary substantially between competence areas, it is not clear what, and who, causes this discrepancy. This was notably most marked for interpersonal skills (Arnold and Mackenzie Davey, 1992). Graduates tended to attribute their successes to their competences, and managers to effort or luck. This may have resulted in managers being less inclined to give graduates more challenging work which required high interpersonal skills.

4.4.2 Collecting evidence

Some managers commented on the fact that they needed to coach their staff to know 'what makes for good evidence'. Competence assessment demands that an individual reports:

- what they did to demonstrate performance for each competence
- how they did it and what their individual contribution was
- what the outcome was which could be used as evidence of achieving each competence.

It can be argued this process goes against the culture of team work and that individuals have to be coached to think of their individual contribution. It also requires individuals to be aware of what constitutes evidence and how much they need to collect. Whilst it is evident for their managers, staff may have difficulty

in identifying which aspects of their work can act as suitable evidence.

Organisations may find that staff become more attentive to collecting evidence in the future. If viewed by individuals as a way of self-assessing their performance, and if it leads to improved performance, this can only be beneficial. The culture of the organisation will eventually reflect this improvement, and competences will become embedded. However, there is a risk that individuals may aim more for personal advancement which could result in unwanted competence drift, and if not well managed, raise expectations of subsequent reward.

4.4.3 Learning styles and coaching

Whilst accommodating different learning styles demands flexible solutions to delivering training, assessing competences also requires flexible approaches. These may include providing different forms, structured and unstructured, for assessment of development needs in personal development plans (Tamkin, Barber and Hirsh, 1995). Managers will also be required to adapt their coaching to the different needs of individuals, and allow for individual differences in learning ability. The experiential learning model may be suitable to assess the different learning needs of managers according to job and environmental demands (Kolb, Lubin, Spoth and Baker, 1994). This showed that managerial roles require more affective (*eg* dealing with people) and behavioural competences (*eg* making decisions and setting goals) compared to engineering work, which demanded more symbolic (*eg* testing theories and ideas) and perceptual competences (*eg* gathering information). The latter can be contrasted with the need for empowered leaders to share, rather than collect, information (Gratton and Pearson, 1994).

The findings from the IES survey revealed that respondents perceived an increased need for managers to develop coaching skills. In this respect, it is interesting also that some of the organisations using personal development plans have felt that the ability of the managers to coach staff limited the effectiveness of the process to assess and develop competences (Tamkin, Barber and Hirsh, 1995). It could be argued that the increased need for managers to develop coaching skills is not well recognised at present by many organisations. Managers often feel ill-equipped to act as coaches to enable individuals to learn and develop.

Good coaching needs (Burdett, 1994):

- the problem to be identified from the point of view of the learner (*eg* needs well developed listening skills)
- solutions to be mutually agreed
- outcomes to be identified and measures of success agreed

- appropriate methods of delivering coaching/training or learning, matched to an individual's learning style and preferences.

4.5 Summary

The findings in this section have unearthed some important issues faced by CBMT users, and competence users in general when they use competences to assess and develop individuals. In particular:

- Most competence users still rely on traditional assessment methods such as performance appraisal for assessing competences, and they are making relatively little use of sophisticated methods such as development centres.
- The increased use of personal development plans places increased ownership on the individual for assessment and development, and competence frameworks are seen to provide a useful structure for this.
- Feedback from CBMT users indicates that they are slightly more positive overall about the use of competences but far less confident about assessing them.
- Equipping line managers to assess competences should help them to translate competence headings to departmental requirements, use more effective assessment methods and value diversity. The increased contribution of line managers in the development of competences should be supported by providing them with adequate training in coaching skills.
- Encouraging individual ownership demands that tools for self assessment of competences be provided, including more training on the evidence to be collected, and taking account of individual learning styles.

Whilst not new, the resolution of these issues is key to organisations being able to successfully develop competences. The last section now examines the perceived effectiveness of competence-based management training, and the emerging tensions resulting from its use in the context of performance management.

5. Benefits of CBMT and Emerging Tensions

This study was prompted by a desire to assist organisations in making more informed decisions about linking competences to management training. To this end, we have presented some information relating to the type of organisations using CBMT. CBMT users have a strong business rationale for introducing the approach and adopt a variety of models for achieving CBMT in practice. But does CBMT work and is it worth the effort?

This last section discusses the perceived effectiveness of CBMT. First, it addresses whether CBMT brings practical advantages. Second, it reports on organisational attempts to evaluate CBMT. The discussion on the pitfalls of assessing and developing competences, and the growing use of competences for performance management, signal some real tensions emerging. We end by articulating these and recommending actions.

5.1 Perceived advantages of using CBMT

The IES survey collected feedback from respondents on the advantages of using CBMT. First, we gained a global measure of the usefulness of the approach by asking respondents to indicate whether they had found competences to be 'very useful', 'useful', 'of some use' or 'not useful' in management training.

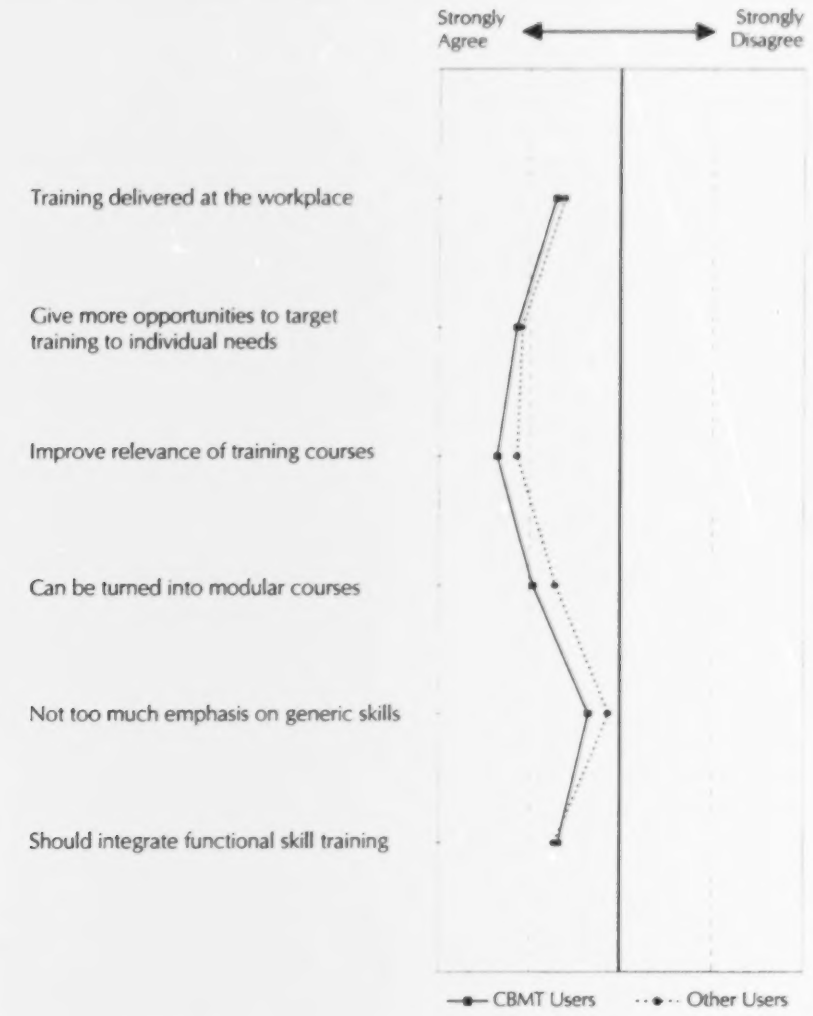
The usefulness of the approach is aptly demonstrated by Table 5.1 which compares responses across different applications. It highlights the 'added value' of aligning competences to management training. It is also encouraging that all users of competences reported finding them useful.

Table 5.1 Usefulness of competencies for management training compared across different uses

	CBMT Users	All Users
Very useful	39	24
Useful	82	68
Some use	18	28
Not useful	0	4
N =	*83*	*172*

Source: IES Survey, 1995

Figure 5.1 Feedback on the use of competences


Strongly Agree
Strongly Disagree
Training delivered at the workplace
Give more opportunities to target training to individual needs
Improve relevance of training courses
Can be turned into modular courses
Not too much emphasis on generic skills
Should integrate functional skill training
CBMT Users
Other Users

Source: IES Survey, 1995

Interestingly, the 'added value' of CBMT manifests itself where it is most needed. We saw that CBMT users have more semi-standardised training programmes to deliver for a higher proportion of managers (see Section 2). It is encouraging that CBMT users strongly agree with competences 'improving the relevance of training courses' and that they 'can be turned into modular courses', (Figure 5.1). Adopting competence-based management training enables these organisations to deliver more targeted training at the workplace using flexible methods according to individual needs.

The feedback about generic skills and functional skill training appears more neutral. CBMT users seemed to be slightly more positive than other users about the use of generic skills, but all respondents perceived a need to integrate management competences with functional skill training. The approach to linking management and functional competences discussed

previously seemed complex, and many of the organisations IES works with are at the moment grappling with the issue (see Section 3.4.2 and 5.4.1).

5.2 Evaluating CBMT

So far, the evidence presented in this section points to some real benefits from linking competences to management training. What remains to be proven however, is whether competences provide real 'value added' or whether the effect is just self fulfilling, *ie* once employing organisations decide to introduce CBMT they are more motivated to make it work.

There is a paucity of research identifying any link between introducing competence-based approaches and business results. The evidence appears inconclusive. Data from the IPM study suggested that no evidence existed of a link between the use of performance management practices and company profitability (Bevan and Thompson, 1991; see section 3.3). There have been some attempts to examine the link between competence-based management development and business outcomes (for example, Reiman, 1982; Cockerill, 1993). These suggest that certain clusters of managerial behaviours or competences are associated with the performance of organisations or business units. Cockerill (1993), in particular, found that 'the outputs of a unit in a dynamic environment are higher when the unit manager has greater capacity in Conceptual Complexity, Information Search and Charisma'. He defined a dynamic environment as one in which 'the rate of change in the environment is caused mainly by the actions of customers and competitors'. Whilst the purpose of the IES study was not to demonstrate such a link, it is interesting to note that half of the CBMT users had seen the demand for their products increase in the last two years (see Section 2.2).

Whilst evaluation tends to be patchy in organisations, measuring training effectiveness seems to be more widespread (Hirsh, Bevan and Barber, 1995). It was interesting therefore to examine organisational practices in evaluating the impact of competences. As Table 5.2 indicates, CBMT users are much more likely to evaluate their use of competences than other users. This means that their perception of effectiveness will be based on the

Table 5.2 Extent of evaluation

	CBMT Users	Other Users
Currently evaluate	31	15
Plan to evaluate	47	58
Don't know	22	27

Source: IES Survey, 1995

Table 5.3 Methods used to evaluate effectiveness

	% of Respondents	
	CBMT Users	Other Users
Salary bill	13	9
Review with line managers	84	81
Business unit profitability	48	48
Changes in performance appraisal ratings	55	55
Customer satisfaction surveys	50	41
Changes in staffing levels	19	13
Employee attitude surveys	55	52

Source: IES Survey, 1995

collection of internal data. However, Table 5.3 reveals that some of these measures rely to a large extent on 'soft' information gathered via line managers, since 'review with line managers' is the most widely used method to evaluate effectiveness.

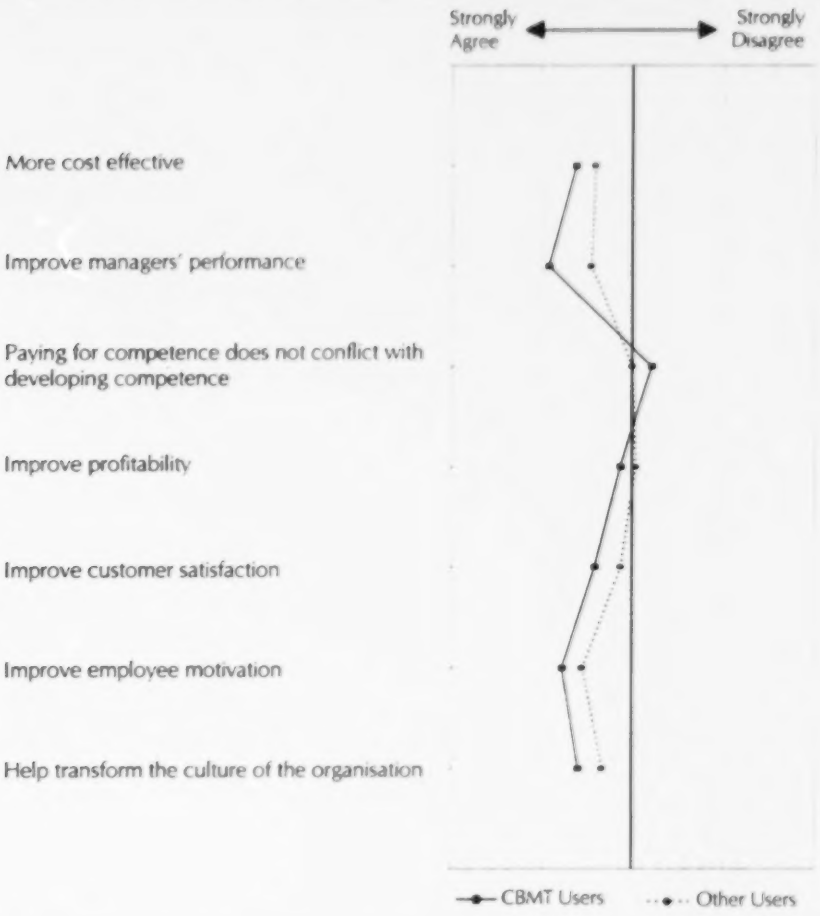
5.3 Does CBMT work?

In order to assess the business impact of CBMT, we sought feedback from respondents on the perceived improvements brought about by the use of competences. Again, comparing CBMT users with other users provides some measure of effectiveness. Given the strong business rationale expressed by those survey respondents who have introduced the approach in the context of management development, it would appear that this initiative brings some positive business outcomes. As emphasised by Figure 5.2, CBMT users 'strongly agree' or 'agree' that linking management training to competences:

- improves the performance of managers
- improves employee motivation
- helps transform the culture of the organisation
- is more cost effective.

Despite the costs involved in developing and implementing competences (Matthewman, 1995), it may be reassuring for organisations considering this approach to find that current users perceive it to be more cost effective. Similarly, whilst users of competences in general are less certain that competences improve customer satisfaction and business profitability, CBMT users were, nevertheless, more positive about their impact. As we discussed previously, linking back the effect of competence-based approaches is much more difficult to measure in practice (see Section 5.2).

Figure 5.2 Feedback on the use of competences for management training



Source: IES Survey, 1995

Although we would need more evidence before reaching a conclusion, these findings show that organisations spending time and effort to link competences to their management training will reap some benefits, as it equips individuals to develop their skills and improve performance.

5.4 Emerging tensions

When it comes to developing CBMT, very few organisations are in the enviable position of being able to start with a blank sheet of paper. Linking competences to management training in practice is quite a complex process which requires difficult choices to be made. Whether organisations decide to introduce CBMT will be governed by a series of issues to be resolved.

5.4.1 Clarifying the business agenda

Increasingly, organisations are having to prioritise training for immediate job needs whilst focusing on development. In practice this means that they look for effective performers in the job and at the same time for high performers with potential to progress. A top down approach which reorganises existing training courses to business objectives may work as a first step (see Section 3.4.1). In practice, however, these are often conflicting objectives and may not serve organisational needs for varied staff well.

Businesses also require professional and technical competences to be integrated with generic competences. The functional approach would appear to deal with this business requirement (see Section 3.4.2). Developing CBMT for functions may be less flexible, and involve several different frameworks and a large number of competences. CBMT users in our study tended to favour developing generic competences rather than functional skills.

Many businesses need to introduce flexibility in order to respond to changing roles in flatter structures, strategically positioning competences for the future. This seems to point to an approach to CBMT which can be adapted to changing needs, and aligned to business objectives, with varying degrees and timescales. A modular approach may be more flexible for adapting to these changing roles and business demands (see Section 3.4.3).

The agenda of the individual may potentially conflict with the business agenda, and organisations are aware of the need to accommodate this to retain high performers. The personal agenda may focus more on developing a portfolio of competences which will position the individual favourably both within and outside the organisation. In this way individuals may value externally recognised qualifications, whilst organisations favour cost effective training solutions.

5.4.2 Improving implementation

Many of the problems and issues unearthed by our study can be traced back to implementation. This stage is key to the successful use of competences. The study reveals it is the most problematic stage. Yet in IES experience, support and training at implementation often seems to be inadequate. Consequently assessment, and evidence for demonstrating competences, were perceived to be the most difficult aspects related to using competences. Whilst this applies to all usages of competences, it is particularly pertinent to CBMT which relies on assessment of training needs and learning. The following would go some way towards equipping both line managers and individuals to use competences effectively:

- Give clear messages to staff about the use of competences and some time for them to become acquainted with the concept of competence.
- Ensure a common understanding of competence headings and dictate common standards for assessment across the whole organisation.
- Provide business information to line managers to enable them to translate their business objectives to competence needs.
- Remain flexible; in particular, vary the degree of structure, and target approaches to reflect individual learning styles.

5.4.3 Rewarding or developing?

Developing or rewarding competences currently preoccupies many of the organisations we work with. CBMT respondents tended to agree that paying for competence conflicted with developing competences (see Figure 5.2). Indeed during the discussions held with line managers and CBMT recipients, the impact on the effectiveness of the performance appraisal process was stressed because it limits employees' willingness to self disclose any weaknesses. However, the pressure to reward competences is great. This was highlighted by the fact that CBMT users had introduced the approach in the context of performance management (see Section 3.3) and were planning to extend their use of competences to performance appraisal.

The fact that the main method for assessing competences remains performance appraisal (see Section 4.1) and that competences are used as a self development tool to inform personal development plans, places the onus on line managers and individual staff who are key to the success of the initiative (see Sections 4.3 and 4.4). Assessing and measuring performance, whether using competence or not, is generally recognised to be fraught with difficulties. Competences centre around how the work should be done ('inputs' and 'process') rather than what ought to be achieved ('outputs'). Not surprisingly, most respondent organisations in the survey felt that competences should be combined with objective setting.

5.5 Summary

Much is currently being made of the role of managerial capability in shaping business success. The notion of competence is a prominent facet of this approach. This is reflected in the way that many organisations are now seeking to influence business outcomes by investing in management training and development, based on competences. The findings of this study seem to warrant such investment and effort:

- The perceived usefulness of competences in management training appears high, as demonstrated by the practical

advantages reported by CBMT users. Linking competences to management training improves the relevance of courses and makes them more amenable to a modular approach.

- CBMT users tend to evaluate the effectiveness of their approach more readily. Consequently, they report that CBMT brings 'added value' to the business by improving the performance of managers and employee motivation.
- CBMT also seems to contribute to changing the culture of the organisation. It also has some impact on the bottom line, by making some contribution to improving customer satisfaction and business profitability.
- Whilst linking competences to management training requires investment and effort, this appears to be justified by CBMT users reporting the use of competences to be more cost effective.
- Tensions emerge which need resolution. Some relate directly to the need to deliver management training, and to adopt the most suitable approach to linking competences in practice. This demands that organisations be clear about what the business needs now and in the future.
- In common with other uses of competences, there is an urgent need to attend to the implementation stage. This entails equipping both line managers and individuals to assess and develop competences by providing training and time for individuals to familiarise themselves with the process.
- Finally, the growing use of competences for performance management is perceived to conflict with using them for development. Organisations should give clear messages about the purpose of introducing CBMT and be aware of potential difficulties.

It is perhaps too early for most organisations to prove the business case for introducing CBMT. The findings look promising. However, whether organisations will decide to embark upon developing CBMT will be dependent upon a host of factors, not the least the time and effort they are prepared to invest in making CBMT a successful venture.

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Appendix Tables

Appendix Table 2.1 : Proportion of respondents with programmes of semi-standardised courses

	CBMT		Other Users		All Respondents	
	No.	%	No.	%	No.	%
Senior managers	58	65	48	54	132	55
Middle managers	80	90	76	69	199	53
Junior managers	77	87	74	67	199	53
Graduates	52	58	48	43	122	32
N =	*89*	*100*	*111*	*100*	*377*	*100*

Source: IES Survey, 1995

Appendix Table 2.2 : proportion of managers at each level who are CBMT users

	% of Respondents		
	CBMT Users	Other Users	All Users
Senior Managers			
0 to 25%	94	87	89
26 to 50%	6	10	9
51 to 75	0	2	2
76 to 100%	0	1	1
Middle Managers			
0 to 25%	31	32	32
26 to 50%	58	53	55
51 to 75%	11	13	12
76 to 100%	1	2	2
Junior Managers			
0 to 25%	25	30	28
26 to 50%	49	41	44
51 to 75%	23	27	26
76 to 100%	3	2	3
Graduates			
0 to 25%	83	80	82
26 to 50%	5	9	7
51 to 75	9	5	7
76 to 100%	3	5	5
N =	*89*	*98*	*187*

Source: IES Survey, 1995

Appendix Table 2.3 : Changes to amount of training in the last two years for CBMT users

	% of Respondents		
	CBMT Users	Other Users	All Users
Senior managers training			
Increased	41	21	32
Same	53	76	64
Decreased	6	3	4
Middle managers			
Increased	49	27	38
Same	47	70	58
Decreased	4	3	4
Junior managers			
Increased	47	32	40
Same	48	67	57
Decreased	6	2	4
Graduates			
Increased	25	22	24
Same	68	76	71
Decreased	7	2	5
N =	*89*	*98*	*187*

Source: IES Survey, 1995

COMPETENCE-BASED MANAGEMENT TRAINING
M T Strebler, S Bevan
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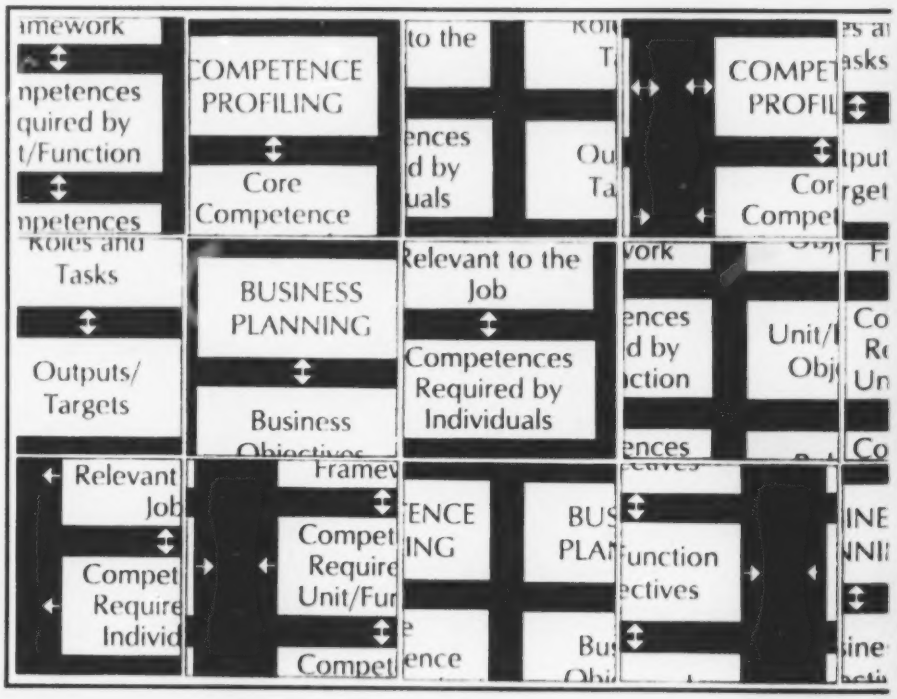
In seeking to achieve their business goals, many organisations have recognised that investing in the development of their managerial capability is essential. This report looks at one route to this goal — Competence-Based Management Training. It examines what CBMT is, how organisations are using it and why, and what impact it has had on their business and on their traditional approaches to management development. Drawing on evidence from a survey and case studies conducted among large employers, this report seeks to contribute to the continuing debate about the use and assessment of competences for business success.



The Institute for Employment Studies
Mantell Building
University of Sussex
Brighton BN1 9RF
UK

Tel. +44 (0) 1273 686751
Fax +44 (0) 1273 690430

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